

Message Text

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13

ACTION EUR-12

INFO OCT-01 ISO-00 AF-04 SAM-01 CIAE-00 PM-03 H-01 INR-05

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R 250822Z OCT 74

FM AMEMBASSY LISBON

TO SECSTATE WASHDC 0848

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY MADRID

AMEMBASSY PARIS

DIA

USCINCEUR

AMCONSUL OPORTO

AMCONSUL PONTA DELGADA

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E.O. 11652: N/A

TAGS: PINT PO

SUBJ: SOCIALIST PARTY CALLS FOR "EMERGENCY PROGRAM" TO
OVERCOME ECONOMIC CRISIS

SUMMARY: A FEW DAYS BEFORE OPENING OF COMMUNIST PARTY CONGRESS
THE SOCIALIST PARTY PUBLISHED WHAT IT TERMED AN "EMERGENCY PROGRAM"
OF SHORT-TERM MEASURES WHICH IT CALLED ON GOP TO ADOPT TO
OVERCOME ECONOMIC CRISIS. THESE STEPS ARE VERY SIMILAR TO
CONTENT PCP ECONOMIC PLATFORM WHICH ALSO LABELED "EMERGENCY".
HIGHLIGHTS OF PS PROGRAM FOLLOW. THE TWO PARTIES ARE NOW
VERY CLOSE PROGRAMMATICALLY, BUT WHETHER THIS WILL LEAD TO A
FORMAL ALLIANCE CANNOT BE PREDICTED AT THIS TIME. END SUMMARY.

1. IN ORDER TO COMBAT THE GROWING ECONOMIC CRISIS
THE PORTUGUESE SOCIALIST PARTY HAS DRAWN UP AN ANTI-
MONOPOLIST "EMERGENCY PROGRAM" FOR SHORT-TERM
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GOVERNMENTAL ACTION. MEASURES WHICH IT URGES GOP TO

ADOPT ARE DESIGNED TO SHIFT THE BURDEN OF NEEDED ECONOMIC AUSTERITY ONTO THE "MONOPOLISTS" AND OFF THE BACKS OF THE LOWER CLASSES TO THE EXTENT POSSIBLE. FOLLOWING IMMEDIATE ACTIONS CALLED FOR: A) VAST PROGRAM OF PUBLIC INVESTMENTS, ESPECIALLY IN HOUSING AND PUBLIC WORKS IN ORDER TO PROVIDE EMPLOYMENT; B) REORGANIZATION OF THE BANKING SYSTEM TO INCREASE SAVINGS AND SPUR PRODUCTIVE INVESTMENTS. A LARGE NATIONAL RECONSTRUCTION BOND WOULD BE ISSUED TO DRAW OUT SAVINGS AND REDUCE INFLATION-PRODUCING EXCESS CONSUMER PURCHASING POWER; C) DIRECT STATE INTERVENTION IN BASIC SECTORS; D) INCREASED AID TO SMALL AND MEDIUM SIZE FIRMS; E) CREATION OF INDUSTRIAL PARKS; F) CREATION OF STATE-OWNED WHOLESALE MARKETING FIRMS, ESPECIALLY IN AGRICULTURE, AND LAUNCHING OF A PUBLIC IMPORT-EXPORT CONCERN; G) PRICE CONTROLS; H) BEGINNING OF A FIRST PHASE OF AGRARIAN REFORM, EXPROPRIATION OF LATIFUNDIOS AND UNPRODUCTIVE LAND; I) ESTABLISHMENT OF AUTOMATIC ESCALATOR CLAUSES IN WORKER SALARIES; J) PROHIBITION ON FIRING OF WORKERS WITHOUT JUST CAUSE.

2. THE PS EMERGENCY PROGRAM ASSIGNS GREAT IMPORTANCE TO THE LABOR UNIONS AND ABOVE ALL TO THE ARMED FORCES MOVEMENT (AFM) IN BRINGING ABOUT A "SOCIALIST STATE OF LAW" AND STABLE DEMOCRATIC STRUCTURES WHICH IT CLAIMS ARE NECESSARY IF THE ECONOMIC CRISIS IS TO BE OVERCOME. TO THE AFM AND THE COALITION PARTIES IS ASSIGNED THE TASK OF REALIZING FUNDAMENTAL STRUCTURAL TRANSFORMATIONS IN PORTUGAL. IF THE ALLIANCE BETWEEN THE AFM AND THE PATRIOTIC POLITICAL PARTIES IS SOLIDIFIED, PREDICTS THE PS, THE "PORTUGUESE WAY TO SOCIALISM WILL NOT BE AN UNDEFINED UTOPIAN DREAM" BUT A REALITY, AND THE ONLY VIABLE MANNER OF FACING THE COUNTRY'S CRISIS.

3. THE "PORTUGUESE WAY TO SOCIALISM" IS AN ALTERNATIVE TO THE EXTREMES OF A "MERELY FORMAL DEMOCRACY" AND "AUTHORITARIANISM WITHOUT PERSPECTIVES". THIS NEW PATH PRESUPPOSES ADOPTION OF AN INDEPENDENT FOREIGN POLICY AND THE PROGRESSIVE DISENGAGEMENT FROM POLITICAL AND MILITARY BLOCS ALTHOUGH PRESENT INTERNATIONAL ACCORDS WILL BE RESPECTED AS CALLED FOR BY THE AFM PROGRAM. (THE EXPECTED LIMITED OFFICIAL USE

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PRESSURES OF THE GREAT POWERS AGAINST THIS STANCE WILL HAVE TO BE FACED FIRMLY AND CALMLY). PORTUGAL'S FOREIGN ECONOMIC AND POLITICAL RELATIONS ARE EUROPE-ORIENTED TODAY, WHICH HAS ITS POSITIVE ASPECTS. BUT, READS THE PROGRAM, TO EXPRESS A PROGRESSIVE AND INDEPENDENT FOREIGN POLICY A RAPID OPENING OF RELATIONS WITH THE THIRD WORLD-- WHICH IS EXPLOITED AS WE ARE -- IS CALLED FOR.

4. THE PS, WHICH DESIRES TO MAINTAIN THE MOST CORDIAL RELATIONS WITH THE COALITION PARTIES, IS, HOWEVER, JEALOUS OF ITS AUTONOMY AND DOES NOT HAVE "PRIVILEGED BILATERAL RELATIONS" WITH ANY OTHER PARTY. "ALL THOSE LEFTIST CURRENTS WHICH HAVE BEEN PROGRESSIVELY APPROACHING THE PS WILL FIND IN OUR PARTY COMPREHENSION AND SUPPORT".

5. COMMENT:

THIS PROGRAM APPEARED OCTOBER 15, JUST 5 DAYS BEFORE THE PCP EXTRAORDINARY CONGRESS WHICH MET TO DECIDE ON A NEW PARTY "EMERGENCY PLATFORM" AND NEW OBJECTIVES. IN MANY RESPECTS THE TWO PARTY PROGRAMS ARE IDENTICAL, ESPECIALLY REGARDING SHORT-TERM ECONOMIC MEASURES. THE STRONG SUSPICION EXISTS THAT THE PS DECIDED TO TRY TO "SCOOP" THE PCP BY ISSUING THEIR EMERGENCY PRGRAM BEFORE THE PCP ISSUED THEIRS. THE PS MAY OR MAY NOT HAVE HAD ACCESS TO THE PCP PLATFORM IN ADVANCE, BUT (IF PPD SOURCES ARE TO BE BELIEVED) THE PS IS NOT ABOVE USING AN OPPONENT'S IDEAS AND PUBLISHING THEM UNDER ITS OWN NAME. (THIS ALLEGEDLY HAPPENED IN THE PAST WHEN THE PS GOT HOLD OF A PPD AGRICULTURAL PROGRAM AND PUBLISHED IT AS THEIRS WITH ONLY A WORD OR TWO CHANGED).

6. REGARDLESS OF THE ORIGIN OF THE PS' IDEAS, THE PS AND THE PCP SHORT-TERM ACTION PROGRAMS ARE NOW VERY CLOSE IN MANY RESPECTS. THE PARTIES STILL DIFFER IN REGARD TO ULTIMATE SOCIETAL GOALS, THE ROLE OF INDIVIDUAL FREEDOMS, AND TACTICS. (THE PS IS INCREASINGLY PORTRAYING ITSELF AS A MILITANT LEFTIST PARTY IN ORDER TO STEM CENTRIFUGAL FORCES AND KEEP ITS VOLATILE LEFTWING IN THE FOLD, WHILE THE PCP PUSHES ITS MODERATE IMAGE IN CONTRAST). WHETHER OR NOT A PRE- OR POST-ELECTORAL ALLIANCE IS CREATED IS STILL AN OPEN QUESTION, AND WILL LIMITED OFFICIAL USE

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NOT BE DECIDED UNTIL AT LEAST AFTER THE PS CONGRESS
DECEMBER 14-15.
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Message Attributes

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